

## Message Text

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ACTION AF-10

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-08  
FRB-03 INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02  
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15  
STR-07 CEA-01 DOE-15 SOE-02 AGRE-00 /118 W  
-----056824 190933Z /11

R 181442Z AUG 78  
FM AMEMBASSY ACCRA  
TO SECSTATE WASHDC 5171  
INFO AMEMBASSY ABIDJAN  
AMEMBASSY LAGOS  
AMEMBASSY LOME  
AMEMBASSY LONDON  
AMEMBASSY OUAGADOUGOU

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DEPT ALSO PASS AID/AFR/CAWA FOR COKER  
LAGOS FOR AGATT; LONDON FOR SEITZ

EO 11652: NA  
TAGS: EAID, EAGR, EFIN, ECON, GH  
SUBJ: GHANA: CURRENT ECONOMIC SITUATION AND POLICIES, PART I

1. INTRODUCTION AND SUMMARY. IN THIS AND A SEPARATE MESSAGE, WE PROVIDE WHAT INFORMATION WE HAVE ON GHANA'S CURRENT POOR ECONOMIC SITUATION; IDENTIFY THE FEW NEW ECONOMIC POLICIES INTRODUCED TO DATE BY THE RECONSTITUTED SMC, DESCRIBE THE STATUS OF GHANA'S UNFINISHED DISCUSSIONS WITH THE IMF AND OTHER SOURCES OF EXTERNAL FINANCE; AND RECOMMEND THAT THE U.S. RESERVE FY'79 RESOURCES IN ORDER TO BE ABLE, IN CONCERT WITH OTHER DONORS, TO PROVIDE COMMODITY ASSISTANCE TO GHANA, IF AND WHEN A SATISFACTORY ECONOMIC PROGRAM IS UNDERTAKEN. END SUMMARY.

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2. CURRENT ECONOMIC SITUATION. (A) GENERAL. WHAT CURRENT INFORMATION WE HAVE IS SPOTTY AND INFORMAL. MOST AVAILABLE INFORMATION IS OUT OF DATE. THE BEST SOURCE OF INFORMATION ON GHANA'S ECONOMY WILL, WE EXPECT, BE THE FORTHCOMING ISSUE OF THE IMF'S REGULAR REPORT, RECENT ECONOMIC DEVELOPMENTS (RED), BUT IMF TEAM MEMBERS HERE ON CONSULTATIONS ARE NOT CERTAIN WHEN THIS WILL BE

ISSUED. THE RED IS TO INCLUDE GNP DATA THROUGH 1976;  
THE LATEST PUBLISHED INFORMATION COVERS ONLY 1974, AND  
HAD ALREADY BEEN REPORTED.

(B) PRODUCTION. (I) AGRICULTURAL FOODGRAIN PRODUCTION IN  
GHANA HAS GENERALLY IMPROVED, OR PROMISES TO IMPROVE,  
IN 1978 OVER 1977. PRODUCTION OF WHITE MAIZE (CORN)  
IS ESTIMATED AT 251,000 MT IN 1977/78 (SEPTEMBER/AUGUST)  
UP FROM 215,000 IN 1976/77. THE OUTLOOK IN THE NORTH  
IS PARTICULARLY PROMISING, AS THERE HAVE BEEN BETTER  
RAINS THIS SEASON THAN IN RECENT PAST YEARS. AS A RESULT  
THE OUTLOOK FOR THE SORGHUM AND BOTH EARLY AND LATE  
MILLET CROPS IS GOOD. ALSO, THE SUPPLY OF WHEAT FOR  
BREAD (ENTIRELY IMPORTED) HAS BEEN BETTER, WITH CY 1978  
PLANNED SUPPLY AT AN ESTIMATED 182,300 MT, UP FROM THE  
1977 ACTUAL LEVEL OF 154,000. THE INCREASE IS ENTIRELY  
ACCOUNTED FOR BY AID-FINANCED IMPORTS FROM VARIOUS DONORS.  
THE BULK OF THE WHEAT COMES FROM CANADA UNDER A THREE-  
YEAR (1977 TO 1979) COMMERCIAL CONTRACT FOR ANNUAL  
DELIVERIES OF 100,000 MT. (II) COCOA: FOR A ROUND-UP  
OF THE 1977/78 POSITION SEE ACCRA 6500. GOG ESTIMATES  
PROVIDED THE IMF TEAM HERE FOR THE UPCOMING 1978/79  
(OCTOBER/SEPTEMBER COCOA YEAR) RANGE FROM 250,000 MT  
(COCOA MARKETING BOARD) TO 300,000 MT (FINANCE MINISTRY),  
BUT THESE DO LITTLE MORE THAN BRACKET THE 275,000 MT  
FIGURE OF CMB PURCHASES DURING THE 1977/78 SEASON.  
(III) INDUSTRIAL. WE HAVE NO CURRENT DATA ON INDUSTRIAL  
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PRODUCTION, BUT A MASS OF BUSINESS COMMUNITY COMMENT  
INDICATES THAT SHORTAGES OF IMPORTED RAW MATERIAL AND SPARE  
PARTS CONTINUE TO LIMIT OUTPUT TO LEVELS FAR BELOW CAPACITY.  
SEPTIL WILL TREAT PROBLEM OF GROWING LABOR UNREST.

(C) FOREIGN TRADE. THE LATEST PUBLISHED FIGURES COVER  
THE FIRST SIX MONTHS OF CY 1977, REPEAT, 1977. FOR 1978,  
WE ESTIMATE COCOA WORTH SOME DLS 600 MILLION OR MORE WAS  
SHIPPED IN THE FIRST SEVEN MONTHS AND WE ESTIMATE THE  
TOTAL VALUE IN CY 1978 (OF 77/78 COCOA SEASON EXPORTS)  
WILL EXCEED 850 MILLION DOLLARS. TOTAL EXPORT EARNINGS  
TO DATE IN 1978 DOUBTLESS AMOUNT TO A MINIMUM OF DLS 750  
MILLION. HOWEVER, WE HAVE NO DATA ON IMPORTS OR L/CS  
OPENED. THE PRODUCTION OF OIL, TO BEGIN OCTOBER 1, 1978  
WITH ANTICIPATED OUTPUT OF 5,000 BARRELS PER DAY, WILL  
PROVIDE A STRONG PSYCHOLOGICAL FILLIP BUT ONLY MODESTLY  
IMPROVE GHANA'S TRADE BALANCE.

(D) FINANCIAL. (I) FY 1977/78 BUDGET. IMF TEAM MEMBERS  
TELL US INFORMALLY THAT AGAINST BUDGETED CURRENT REVENUE  
OF CEDIS 1.7 BILLION AND NEGLIGIBLE CAPITAL RECEIPTS,  
ESTIMATED RECEIPTS WERE AROUND 1.4 BILLION, WHILE TOTAL  
EXPENDITURES SOARED TO ABOUT 3.4 BILLION AGAINST BUDGET  
ESTIMATES OF AROUND 2.5 BILLION. THIS DEFICIT OF ABOUT

2 BILLION CEDIS COMPARES WITH THE FY 1976/77 DEFICIT  
OF 900 MILLION CEDIS. THIS MEANS THAT WELL OVER HALD OF  
TOTAL EXPENDITURES WERE FINANCED BY BORROWINGS, PRINCIPALLY  
FROM THE CENTRAL BANK. SUCH DEFICIT FINANCING HAS, OF  
COURSE BEEN A MAJOR CAUSE OF GHANA'S EXTREME INFLATION.  
(II) EXTERNAL PAYMENTS. NO IMPROVEMENT NOTED. THESE  
REMAIN SLUGGISH. AT LEAST ONE MAJOR FOREIGN BANK HERE  
IS SOMEWHAT OVER ITS COUNTRY LIMIT, ALTHOUGH IT HAS NOT  
HAD TO CEASE CONFIRMING LETTERS OF CREDIT. DESPITE  
ENCOURAGING WORDS, REMITTANCES CONTINUE EXTREMELY SLOW  
(ACCRA 6330 AND PREVIOUS).

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STR-07 CEA-01 DOE-15 SOE-02 AGRE-00 /118 W  
-----057055 190934Z /11

R 181442Z AUG 78  
FM AMEMBASSY ACCRA  
TO SECSTATE WASHDC 5172  
INFO AMEMBASSY ABIDJAN  
AMEMBASSY LAGOS  
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(E) INFLATION. THE CENTRAL BANK'S OWN (FOR INTERNAL USE)  
CONSUMER PRICE INDEX FOR JUNE 1978 WAS, WE UNDERSTAND,  
150 PERCENT ABOVE THE JUNE 1977 LEVEL. THE REGULAR GOG  
PUBLISHED INDEX IS AVAILABLE ONLY THROUGH DECEMBER 1977,  
WHEN IT STOOD AT 106 PERCENT OF THE DECEMBER 1976 LEVEL.  
(F) CONCLUSION. WHILE THE ABOVE IS EXTREMELY SPOTTY,  
IT IS OBVIOUS THAT GHANA'S ECONOMIC HEALTH CONTINUED TO  
DECLINE IN THE FIRST HALF OF CY 1978, DESPITE CONTINUED  
HIGH COCOA PRICES. THAT ECONOMIC SITUATION WAS, OF  
COURSE, A MAJOR FACTOR IN THE DECISION TO FORCE ACHEAMPONG'S

RESIGNATION. PER CAPITAL INCOME DOUBTLESS DECLINED FURTHER IN THIS PERIOD. HOWEVER, THE IMPROVED HARVESTS FOLLOWING THIS YEAR'S RAINS COULD WELL SEE PER CAPITA INCOME IMPROVE IN THE SECOND HALF OF CY 1978.

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3. NEW ECONOMIC POLICY MEASURES UNDERTAKEN SINCE JULY 5. THE SUPREME MILITARY COUNCIL, AS RECONSTITUTED FOLLOWING THE FORCED RESIGNATION JULY 5 OF FORMER HEAD OF STATE I.K. ACHEAMPONG, HAS MADE SOME IMPORTANT CHANGES IN PERSONNEL; IS PUBLICLY COMMITTED TO SIGNIFICANT ECONOMIC POLICY CHANGES AND IS DISCUSSING THESE WITH, AMONG OTHERS, THE INTERNATIONAL MONETARY FUND, LOOKING TO A STAND-BY LOAN AGREEMENT. NEVERTHELESS, THE SMC HAS TO DATE UNDERTAKEN ONLY A FEW CONCRETE MEASURES. (A) PERSONNEL CHANGES. THE MOST IMPORTANT CHANGE AMONG GHANA'S ECONOMIC POLICY DECISION MAKERS, APART FROM THOSE WITHIN THE SMC ITSELF, IS THE DEPARTURE OF FINANCE COMMISSIONER APPIAH AND HIS REPLACEMENT BY COL. OKLAH. APPIAH HAD HEADED THE COMMITTEE EXAMINING ECONOMIC POLICY OPTIONS LAST SPRING AND HAD PERSONALLY DISCUSSED ITS RECOMMENDATIONS WITH THEN HEAD OF STATE. HIS DEPARTURE REMOVED A LEADING PROPONENT OF ECONOMIC POLICY CHANGE IN THE GOVERNMENT. HIS REPLACEMENT, BY A FORMER ARMY PAYMASTER AND HEAD OF THE NATIONAL LOTTERIES, APPEARED TO SOME OBSERVERS TO BE A SERIOUS SETBACK TO THE PROSPECTS FOR ECONOMIC POLICY REFORM. WE NO LONGER BELIEVE THIS TO BE SO. COMMISSIONER APPIAH, WE UNDERSTAND, WAS REMOVED BECAUSE OF HIS CLOSE RELATIONSHIP WITH GENERAL ACHEAMPONG, WHICH WE SUPPOSE MUST HAVE INCLUDED ADVICE AND ASSISTANCE IN FOREIGN EXCHANGE TRANSACTIONS OF PERSONAL INTEREST TO ACHEAMPONG. INTEREST AMONG ECONOMIC POLICY MAKERS IN REFORM HAS NOT IN FACT DIMINISHED: ON THE CONTRARY, ONE OF SMC CHAIRMAN AKUFFO'S EARLY DECISIONS WAS TO ADVANCE THE TIMETABLE FOR NEGOTIATIONS WITH THE IMF (ACCRA 6400, PARA 6). COL. OKLAH IS, WE ARE TOLD, A COMPETENT ACCOUNTANT, EVEN THOUGH NOT AN ECONOMIST OR EXPERIENCED IN POLICY FORMULATION. HIS APPOINTMENT NECESSARILY INCREASES THE INFLUENCE ON POLICY DECISIONS

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OF ECONOMIC PLANNING COMMISSIONER JOE ABBEY AND BANK OF GHANA GOVERNOR ALEX ASHIAGBOR, BOTH ABLE AND EXPERIENCED OFFICIALS. THE VALUABLE QUALITY WHICH OKLAH DOES BRING TO HIS NEW POSITION IS REPUTEDLY FIRM DECISION MAKING

AND MANAGEMENT ABILITY. HE CAN SAY "NO", WE UNDERSTAND AND HOLD TO IT. THE NATIONAL LOTTERIES WITH SUBSTANTIAL FINANCIAL TURNOVER, WERE REPORTEDLY WELL ADMINISTERED UNDER HIS DIRECTION. IMF TEAM TELLS US THE LOTTERIES WERE A GOOD SOURCE OF GOVERNMENT REVENUES UNDER HIS DIRECTION. IN THE CURRENT QUEST FOR ECONOMIC DISCIPLINE, THE ABILITY TO SAY NO, MANAGE THE FINANCE MINISTRY WELL, AND EXECUTE NEW POLICIES COMPETENTLY WILL PROVE MOST VALUABLE. PARTICULARLY IMPORTANT WILL BE THE TASK OF CONTROLLING EXPENDITURES BY ALL GOVERNMENT DEPARTMENTS AND AGENCIES. ANOTHER IMPORTANT AND WELCOME CHANGE IS THE REPLACEMENT OF CORRUPT COMMANDER ADDO WITH EFFICIENT WELL-TRAINED KWAME PIANIM AS CHIEF EXECUTIVE OF THE IMPORTANT COCOA MARKETING BOARD. (B) CREEPING DEVALUATION CONTINUES. THE GRADUAL PROCESS OF DEVALUATION, LAUNCHED JUNE 19, HAS MOVED THE OFFICIAL EXCHANGE RATE FROM ONE CEDI EQUALS US DLS 0.87 WHERE IT HAD STOOD UNCHANGED SINCE EARLY 1972, TO (AS OF AUGUST 17) EQUALS DLS 0.617 A DEVALUATION OF 29 PERCENT. THE NEW GOVERNMENT HAS CONTINUED THE PROCESS BEGUN UNDER ACHEAMPONG. THERE HAS BEEN NO ADVERSE POLITICAL REACTION TO DATE AND A PSYCHOLOGICAL BARRIER HAS BEEN ROKEN. IN THE CONTINUING ABSENCE OF ANY DOMESTIC POLITICAL REPERCUSSIONS, WE EXPECT THE GOG TO CONTINUE THIS DEVALUATION FURTHER. WE HAVE NO OFFICIAL GOG STATEMENT OF HOW FAR THEY WILL GO, AND MUCH WILL DEPEND ON THE OUTCOME OF DISCUSSIONS WITH THE IMF (SEE SEPTTEL, BUT THERE ARE WIDESPREAD RUMORS IN ACCRA THAT THE RATE WILL MOVE TO DLS 0.30 OR SO (A DEVALUATION OF 65 PERCENT) BY YEAR-END. (SEE ACCRA 6228).

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-----056645 190934Z /11

R 181442Z AUG 78  
FM AMEMBASSY ACCRA  
TO SECSTATE WASHDC 5173  
INFO AMEMBASSY ABIDJAN  
AMEMBASSY LAGOS  
AMEMBASSY LOME  
AMEMBASSY LONDON

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LAGOS FOR AGATT: LONDON FOR SEITZ

(C) SPECIAL UNNUMBERED LICENSES (SUL) SUSPENDED. IN HIS JULY 10 SPEECH TO THE NATION THE NEW HEAD OF STATE ANNOUNCED THE SUSPENSION OF SUL WHICH FORMERLY AUTHORIZED THE IMPORT OF SELECTED ITEMS (E.G. FOOD ITEMS, SAOP. DRUGS, MILK, SPARE PARTS) OSTENSIBLY AGAINST FOREIGN EXCHANGE HELD ABROAD. THIS ARRANGEMENT HAD BEEN A MAJOR FACTOR IN THE BRISK DEMAND IN GHANA FOR FOREIGN EXCHANGE AND THE FLOURISHING BLACK MARKET. SINCE THIS FACILITY WAS SUSPENDED, THE BLACK MARKET RATE IN ACCRA HAS, WE UNDERSTAND, FALLEN SHARPLY FROM ABOUT 10 CEDIS TO THE DOLLAR TO PERHAPS SIX OR EVEN LESS.

(D) TAX CONCESSIONS WITHDRAWN; COLLECTIONS INCREASED. ALL CONCESSIONS ON TAXES ACTUALLY PAID BY CONSUMERS LIMITED OFFICIAL USE

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WERE CANCELLED BY AKUFFO IN HIS JULY 10 SPEECH: "...COMPANIES ARE THEREFORE REQUIRED TO PAY INTO GOVERNMENT CHEST ALL SUCH TAXES, NAMELY EXCISE DUTIES, SALES TAX AND SPECIAL TAXES ON LOCALLY PRODUCED GOODS WHICH THEY HAVE COLLECTED SINCE JULY 1, 1977." THE COMPTROLLER OF CUSTOMS AND EXCISE, FRANCIS HAMMOND, TOLD ECON COUNSELOR THAT THEY HOPED TO INCREASE SUCH COLLECTIONS BY 25 PERCENT. ON THE BASIS OF 1977/78 REVENUE ESTIMATES, THAT PERCENTAGE INCREASE WOULD BRING IN SOMETHING APPROACHING AN ADDITIONAL CEDIS ONE HUNDRED MILLION.

(E) COMMENT: THE SUSPENSION OF SUL AND THE CANCELLATION OF TAX CONCESSIONS HITS DIRECTLY AT TWO MAJOR AREAS OF CORRUPTION. FOR EXAMPLE, THE EXCISE TAX ON CIGARETTES EARNED OVER CEDIS 50 MILLION IN 1976/77, AND WAS ESTIMATED AT 85 MILLION FOR FY 1978. IN RETURN FOR A "TAX CONCESSION" FROM THE CASTEL (GHANA WHITE HOUSE), A SINGLE COMPANY, SELLING ITS CIGARETTES AT THE REGULAR PRICE (INCLUDING THE TAX) COULD EARN VERY LARGE WIND-FALL REVENUES (E.G. INTERNATIONAL TOBACCO, WHICH HAS NOW BEEN ORDERED TO PAY CEDIS 20 MILLION FOR 1977/78). SUCH REVENUES WERE ALLEGEDLY SHARED WITH VARIOUS POLITICAL GROUPS, SUCH AS THOSE PROMOTING UNION GOVERNMENT OR WITH INDIVIDUALS IN THE CASTEL. SIMILAR OPPORTUNITIES EXISTED WITH SUL, A SECOND MAJOR AREA OF CORRUPTION, AND COM-

PARABLE ARRANGEMENTS WERE DOUBTLESS COMMONPLACE.

(F) OTHER RELATED DEVELOPMENTS. (I) SOME BUSINESSMEN DEPORTED. A NUMBER OF LEBANESE/SYRIAN BUSINESSMEN HAD THEIR GHANAIAN CITIZENSHIP REVOKED (ON GROUNDS IT WAS OBTAINED UNDER FALSE PRETENSES) AND HAVE BEEN DEPORTED. IT IS SUPPOSED HERE THAT THOSE SO TREATED WERE PARTICULARLY CLOSELY ASSOCIATED WITH THE MORE CORRUPT MEMBERS OF THE PRE-COUP SMC. (II) POSSIBLE CRACKDOWN ON SMUGGLING. LIMITED OFFICIAL USE

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THE DEPARTURE OF FORMER BORDER GUARD COMMANDING OFFICER, MAJ. GEN UTUKA, MAY HAVE LED TO SOME IMPROVEMENT, AS CLAIMED IN THE PRESS, IN THE CONTROL OF SUMUGGLING, BUT WE HAVE NO FIRM EVIDENCE ON THIS. SIMILARLY, NEWS ARTICLES REPORT STATEMENTS BY THE NEW COMMISSIONER FOR TRANSPORT AND COMMUNICATIONS LOOKING TO IMPROVING THE SECURITY NETWORK AT THE PORTS. AN ANTI-SMUGGLING SURVEY TEAM, CREATED EARLIER, IS SUVEYING COCOA FARMS NEAR GHANA'S BORDERS IN A MOVE TO REDUCE ILLEGAL EXPORTS OF COCOA. THE TEAM HAS REPORTEDLY COMPLETED SURVEYING SOME 500,000 ACRES IN BRONG-AHAFO AND THE VOLTA REGIONS AND HAS SUBMITTED ITS FIRST REPORT TO THE NEW HEAD OF STATE.

(III) COMMITTEES APPOINTED. IN ADDITION TO THE ECONOMIC ADVISORY COMMITTEE, NUMEROUS COMMITTEES ON VARIOUS ECONOMIC SUBJECTS ARE AT WORK AND THEIR REPORTS, WHEN ISSUED, MAY LEAD TO CONSTRUCTIVE POLICY CHANGES. THESE INCLUDE A COMMITTEE TO REVIEW AND RECOMMEND PROPOSALS FOR THE RESTRUCTURING OF THE "PHYSICAL PLANNING MACHINERY" IN THE COUNTRY (ANNOUNCED JULY 18); THE REACTIVATION OF A SIX-MEMBER COMMITTEE CREATED IN 1976 BUT STOPPED ALMOST IMMEDIATELY, TO INVESTIGATE THE AFFAIRS OF THE GHANA COOPERATIVE (COCOA) MARKETING ASSOCIATION (AUGUST 4); AND A NINE MAN BODY TO REVIEW THE OPERATIONS OF THE NATIONAL SERVICE SCHEME AND ASSESS ITS "EFFECTIVENESS IN MEETING CRITICAL MANPOWER SHORTAGES" (AUGUST 15). THE HEAD OF STATE IN HIS JULY 10 SPEECH ANNOUNCED, INTER ALIA, REVIEWS OF (1) WAYS TO PERMIT IMPORTS AGAINST FOREIGN EXCHANGE ABROAD WHILE AVOIDING THE ABUSES ASSOCIATED WITH SMLS; (2) CURRENT FINANCIAL COMMITMENTS IN BOTH RECURRENT AND CAPITAL EXPENDITURES TO REDUCE BUDGET EXPENDITURES, AND THE EXISTING LEVEL OF EMPLOYMENT OF EXPATRIATES IN GHANAIAN FIRMS.

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R 181442Z AUG 78  
FM AMEMBASSY ACCRA  
TO SECSTATE WASHDC 5174  
INFO AMEMBASSY ABIDJAN  
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AMEMBASSY LOME  
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LAGOS FOR AGATT: LONDON FOR SEITZ

4. CONCLUSION AND COMMENT. THE ECONOMY REMAINS UN-  
HEALTHY, SUFFERING FROM THE LONG-STANDING PROBLEMS OF  
STILL OVERVALUED CEDI, PERVASIVE PRICE AND DISTRIBUTION  
CONTROLS, INEFFICIENT PUBLIC SECTOR, INDUSTRIES, AND  
HYPER-INFLATION FUELED BY ENORMOUS BUDGET DEFICITS AND  
INADEQUATE IMPORTS OF ESSENTIAL RAW MATERIALS. THERE IS,  
HOWEVER, A NEW MOOD IN GHANA, WITH THE THEORETICAL  
AVERAGE GHANAIAAN "LOOKING FOR A CHANGE", AND THOSE PRO-  
FESSIONALS IN GOVERNMENT FEELING THAT AT LONG LAST THEY  
WILL BE LISTENED TO AT THE POLITICAL LEVEL IN REVERSING  
GHANA'S ECONOMIC DECLINE. INDEED, THIS IS THE BEST OPPOR-  
TUNITY FOR THE INTRODUCTION OF SENSIBLE ECONOMIC POLICIES  
IN MANY YEARS, PERHAPS SINCE 1972. WHILE FEW POLICIES  
HAVE YET BEEN ANNOUNCED, MUCH LESS IMPLEMENTED, GOG  
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OFFICIALS POINT TO THE 1978/79 BUDGET, NOW EXPECTED TO  
BE RELEASED IN SEPTEMBER, AS THE PRIMARY VEHICLE FOR  
MAJOR POLICY CHANGES. IN A SUBSEQUENT CABLE, WE WILL  
REVIEW THE STATUS OF GHANA'S DISCUSSIONS WITH THE IMF,  
A PRIVATE BANKING CONSORTIUM, AND FOREIGN DONORS AS THE  
GOG ECONOMIC DECISION MAKERS, UNDER NEW LEADERSHIP,  
CONSIDER HOW BEST TO ADDRESS THE MASSIVE ECONOMIC PROBLEMS  
INHERITED FROM THE ACHEAMPONG ERA OF MISMANAGEMENT AND



RESOURCE WASTE. WE WILL ALSO ARGUE THAT THE USG SHOULD  
TAKE STEPS NOW TO RESERVE FY 1979 RESOURCES FOR GHANA  
SO THAT, IF THE EXPECTED NEW ECONOMIC PROGRAM PROVES  
SATISFACTORY, WE WILL BE ABLE, IN CONCERT WITH OTHER  
DONORS, TO SUPPORT THAT PROGRAM.  
HOLMES

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## Message Attributes

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